

Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining JOHN R. BAZA Division Director

August 30, 2011

Elizabeth Williams Ashley Creek Properties PO Box 58031 Salt Lake City, Utah 84158

Subject: Tentative Approval, Ashley Creek Properties LLC, Ashley Creek Mine, S/047/0105, Uintah

County, Utah

Dear Ms. Williams:

The referenced Notice of Intention to Commence Small Mining Operations (NOI), received by the Division of Oil, Gas and Mining June 15, 2011, is complete, <u>but the Division needs to field verify previous disturbance</u>. The reclamation contract and the reclamation surety in the amount of \$25,100 have been received, and the Division received an additional \$16,960.00 on August 24, 2011 for two additional acres and 16 drill holes. The Division has received information about cultural resources.

You are now permitted to conduct small mining operations on these additional two acres and to drill 16 holes as shown in the NOI provided you have written approval from the School and Institutional Trust Lands Administration (SITLA) and any other appropriate agency. An approved NOI must be filed with SITLA in addition to the lease.

Please keep in mind the following regulatory requirements.

- The Division must be notified no later than 30 days after beginning mining operations.
- Mining disturbance is only allowed in the area identified in the NOI and Reclamation Contract.
- Stockpiling topsoil material prior to beginning activities will help ensure successful revegetation. Even the first few inches of undeveloped material are worth saving to aid in later revegetation efforts, and future regulatory surety release.
- If you encounter any archaeological or historical items, you are asked to notify this office and State History.
- Annual reports and permit fees are due January 31st of each year.
- The reclamation surety will be reviewed every 3 years.
- The Division requests that the disturbed area boundary (including access/haul roads) be marked with metal T-posts to identify the area permitted for mining.

No variances were requested.

The Division's web page at http://ogm.utah.gov/ under the Mining Program has a link to the rules under which you are expected to operate and to other information to assist you in complying with program requirements.

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Please contact me at 801-538-5261 or Leslie Heppler at 801-538-5257 if you have any questions regarding this letter. In reply please refer to file number S/0470/0105.

Sincerely,

Paul B. Baker

Minerals Program Manager

PBB:lah:eb

SITLA, WStokes@utah.gov

 $Consultant - \underline{Abrown@norwestcorp.com} \\ P:\GROUPS\MINERALS\WP\M047-Uintah\S0470105-AshleyCreek\final\TENT-4303-08252011.doc$